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TOWN OF JEROME, ARIZONA

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MINUTES

SPECIAL MEETING OF THE JEROME TOWN COUNCIL **JEROME CIVIC CENTER - 600 CLARK STREET - COUNCIL CHAMBERS** **WEDNESDAY, JUNE 25, 2014 AT 10:00 AM**

ITEM #1:	CALL TO ORDER/ROLL CALL Mayor/Chairperson to call meeting to order. Town Clerk to call and record the roll. <i>Mayor Check called the meeting to order at 10:04 p.m.</i> <i>Town Manager/Clerk Candace Gallagher called roll. Present were Mayor Nikki Check, Vice Mayor Lew Currier and Councilmembers Randall Hunt and Anne Bassett. Councilmember Bill Phinney had an excused absence.</i> <i>Other staff in attendance at roll call included Finance Director Rebecca Cretti and Deputy Town Clerk Rosemarie Shemaitis.</i>
ITEM #2:	2014-15 BUDGET Council will continue their work on the 2014-15 municipal budget. Work will take place in roundtable format. Discussion will include a general review of the budget as discussed to date, and final preparations for approval of the tentative budget prior to the July 21 deadline. <i>Ms. Gallagher provided and reviewed a memo summarizing the budget and what it incorporates at this time, based on prior discussions by Council. She noted that adoption of the tentative budget was scheduled for the July 8 regular meeting.</i> <i>Discussion ensued, the highlights of which are presented below, not necessarily in chronological order:</i> <ul style="list-style-type: none"><i>Ms. Gallagher explained that the budgeted amount for the water line work on Hampshire Avenue has been reduced from \$25,000 to \$10,000, based on discussions with Mr. Dement, Mr. MacVittie and the Town Engineer. All now agree that tying into the fire line there is preferable to installing an entirely new line. That, in fact, is how it is done in most places, according to Mr. MacVittie.</i><i>There was discussion regarding the \$15,000 included as revenue from wildlands fire fees. Vice Mayor Currier noted that we have not received those fees for awhile, and suggested that they be placed in contingency instead. Ms. Gallagher stated that Chief Blair is confident that we will get something this year – we are first on the list to be called, and we have a good possibility for an engine boss.</i><i>There was discussion regarding the status (salaried or hourly, exempt or non-exempt) of the new Fire Department Duty Officer. It was determined that he would be classified as a non-exempt, part-time employee paid at \$16 per hour.</i><i>There followed a lengthy discussion regarding the status of the Zoning Administrator (she is currently salaried and exempt) and whether the ZA would be considered a Department Head.</i><ul style="list-style-type: none"><i>Although she has no staff under her supervision, she does have a great deal of autonomy and decision-making authority. Councilmember Bassett noted that</i>

Council once decreed¹ that all department heads are required to live in town², and the criteria that they used in determining whether an employee is a department head was whether or not the employee managed other employees. The ZA does not manage other employees, nor does she live in town. The Vice Mayor stated that the ZA is not a department head.

- Ms. Gallagher noted that the Town Code specifically states that the Police Chief, Fire Chief, Public Works Director, Town Manager and Town Clerk must live in town within six months of their hire date. Vice Mayor Currier and Councilmember Bassett each opined that the Zoning Administrator should also be required to live in town. Ms. Gallagher asked if discussion regarding where the Zoning Administrator should reside could be held at another time, because it is not relevant to the budget. The Code does not specify this, she said, but if Council wants to change it, that should be a discussion for another meeting.
- It was noted that all salaried employees do not have to be department heads, and that it is possible for salaried employees to be non-exempt and therefore paid overtime. Ms. Cretti explained that overtime is calculated differently for salaried employees. She added that the IRS has guidelines that we must follow regarding whether an employee is exempt or non-exempt, and, she said, the ZA seems to her to be a non-exempt employee. The Vice Mayor agreed. Mayor Check said that hours for the Zoning Administrator need to be flexible, so she feels that she should remain salaried.
- Ms. Bassett asked about comp time. Ms. Cretti responded that government employees are allowed comp time. She recommended that the Town develop a strict comp time policy, and noted that it can be used to compensate employees for overtime in hours rather than in wages.
- It was discussed and generally agreed to increase the amount included in the General Fund Contingency budget for excess sales tax revenues from \$50,000 to \$70,000.
- There was discussion regarding increasing the amount in the General Fund Contingency budget for litigation costs from \$50,000 to \$100,000; however, it was generally agreed that the bulk of any litigation costs would not affect us until the following fiscal year, and no change was made.
- It was discussed and generally agreed to include \$10,000 in the Enterprise Contingency Fund budget for excess water and sewer revenues. Ms. Gallagher noted that, now that we are accepting credit cards, we may see an increase in those revenues.
- Vice Mayor Currier said that he would like to cut the utility rates, as he had mentioned at the June 18 budget meeting. He opined that, over the last few years, the Town brought in more than expected and spent less than expected. It would be nice to spend some of that surplus on a capital project, he said, but that could take a long time. He suggested that utility rates be reduced by 1.5% as a way of "spreading the wealth."

Motion: Vice Mayor Currier made a motion to **reduce utility rates for water, sewer and sanitation by 1.5%**. It was seconded by Councilmember Hunt.

Ms. Cretti requested that, if Council approves this, they add a contingency so that if the town revenues fall drastically they can raise the rates again. Mr. Currier responded that he would be okay with that, and said that there is a notion that it is hard to raise utility rates after they have been cut, but it has been done at least four or five times since he has been on Council. He said that people understand, but they would also appreciate getting something back.

Ms. Bassett said that she also would like to give back to the citizens, and she has

¹ It was clarified during approval of these minutes that this was not decreed by Council but by the voters of the Town.

² Clerk's note: This is stated in the Town's adopted Personnel Policies rather than in the Town Code.

heard that they are appreciative of the improvements we have been making to the infrastructure. She is uncomfortable reducing the utility rates, she said, as long as two of the three utilities are partially financed by general fund (rather than utility fund) revenues. Ms. Bassett said that she would rather find a different way to do this, because she doesn't want to give the impression that our utilities are in better shape than they are. Mayor Check agreed.

Councilmember Hunt said that we need to have a larger discussion on water rates, and there was brief discussion regarding metered billing versus the current fixed-rate system.

Mayor Check called the question and the **motion failed with 1 aye, 2 nays by Mayor Check and Councilmember Bassett and 1 abstention by Councilmember Hunt**, which would be counted as a second "aye" vote.

Councilmember Bassett asked if Council would like to give a stipend to the citizens of the town. Mayor Check asked Council and the public if they had any ideas on how to give back to the residents without reducing utility revenues. There was no response. Mayor Check commented that she feels we give great service to the Town and she has not heard any complaints from residents regarding the current utility rates. Councilmember Bassett commented that the complaint she has heard is that too much money is spent on the police.

- Ms. Cretti requested that Joni Savage be made full time. Ms. Gallagher noted that Council has already approved an increase in Ms. Savage's hours to 34 hours per week. Ms. Cretti said that she would like Ms. Savage brought up to 40 hours per week. Mayor Check said that it appeared to Council that the finance department already has a lot of people and back ups, and she asked Ms. Cretti to explain the need for additional hours.

Ms. Cretti explained that, for many years, the town had 21 employees; now there are 37 people that are active in our payroll, and managing that requires more time. She clarified that Ms. Savage isn't there only to be a back up; she is there to take over other duties. She assists Utilities Clerk Peggy Tovrea, Zoning Administrator Rebecca Borowski and in the finance department. Ms. Savage helps with filing and payroll and she also has her own duties.

Mr. Currier noted that, per Ms. Cretti's and Ms. Borowski's requests, Council increased Ms. Savage's hours to 34 hours, including four hours for Ms. Borowski. They didn't increase her hours to full time, he said, due to the cost of benefits.

Ms. Cretti said that she would like to have Ms. Savage full time and she would like that position to have more responsibility. She would like to turn over some duties to Ms. Savage that she would not want to turn over to a part-time employee.

Ms. Bassett added that Council also took into consideration that the additional help for the Zoning Administrator was to help her catch up with the backlog of filing, and that that help would not be needed next year. Ms. Cretti responded that the Zoning Department will always need that help. Mr. Currier stated that Ms. Borowski is new to the position, and once she has learned her job, she should be able to take on more of the "grunt work." Ms. Cretti responded that, then, she will be able to take on other projects, but she will still need help with the "grunt work" in that office. Also, she said, it's good for the Town to have someone else in there – it creates consistency if the Zoning Administrator changes.

Vice Mayor Currier said that one way to determine if someone needs more help is to look at his or her overtime. He asked Ms. Cretti about her overtime. She responded that she accepts comp time rather than overtime, and since Town Hall staff went to four ten-hour work days, her hours have become more controlled and efficient.

Mayor Check commented that Council had also reasoned that, once a permanent, full-time position is created, it is difficult to retract it. She said that everyone always wants

	<p>additional help but you don't know how much is needed unless you take it in steps.</p> <p>Mr. Currier commented that "the work expands to fill the time allotted for it." He asked Ms. Cretti how many more hours of help she needs. Ms. Cretti said that she could use 30-35 hours, and if Ms. Tovrea is gone, then that is 40 hours that Ms. Savage would work. Ms. Gallagher noted that Ms. Borowski wanted 2-6 hours of assistance per week. Ms. Cretti said that she would be flexible and work with Ms. Borowski regarding the hours, so Ms. Savage could work with both of them.</p> <p>Ms. Bassett asked for Ms. Gallagher's opinion about this. Ms. Gallagher replied that the cost of full-time benefits is something to consider, however she does think that both Ms. Cretti and Ms. Borowski need additional help. That has always been a problem in the zoning office, she said, and she sees regularly how busy Ms. Cretti is.</p> <p>Ms. Cretti clarified that Ms. Savage is currently working 30 hours per week. She reiterated that there are duties that Ms. Cretti would like to turn over to Ms. Savage, but she will not turn them over to a part-time employee.</p> <p>Mr. Currier asked what the additional cost would be including benefits. Ms. Gallagher responded that with the extra hours over 34, and dental and health insurance, we would have to add about \$10,000 – \$12,000 to the budget. Mr. Currier asked where that money would come from. Ms. Gallagher responded that we would utilize more fund balance, and clarified that the amount of fund balance utilized will still not equal what we are spending on infrastructure/capital projects, so we would essentially be shifting a bit more of those costs to fund balance.</p> <p>Mayor Check asked if it is sustainable to add new positions, even if our sales tax revenues go down. Ms. Gallagher replied that Arizona is a right-to-work state, so people could be let go if needed.</p> <p>Mayor Check and Councilmember Bassett each expressed support for making Ms. Savage a full-time employee. Councilmember Hunt said that 34 hours, as decided at the previous meeting, is adequate.</p> <p>Motion: Mayor Check made a motion to move Ms. Savage to full time, non-exempt status. It was seconded by Councilmember Bassett. Mayor Check called the question and the motion passed with 3 ayes, 1 nay by Councilmember Hunt and 0 abstentions.</p> <ul style="list-style-type: none"> • It was discussed and agreed that, as of July 1, 2014, Chief Rusty Blair will no longer receive per call pay, and that, in lieu of that, \$2,500 would be added to his salary as of that date. <p>Ms. Gallagher confirmed with Council that they were ready to adopt the tentative budget on July 8, with the changes discussed at this meeting. She reminded all that we cannot increase appropriations after the tentative budget has been adopted, but amounts can be decreased.</p>
ITEM #3:	<p>ADJOURNMENT</p> <p>Upon motion by Councilmember Bassett seconded by Vice Mayor Currier and unanimously approved, the meeting was adjourned at 11:26 a.m.</p>

Edited by Town Manager/Clerk Candace Gallagher from minutes taken and transcribed by Deputy Town Clerk Rosemarie Shemaitis.

APPROVE:

ATTEST:

Nikki Check, Mayor

Candace B. Gallagher, CMC, Town Manager/Clerk

Date: _____